

## Alticor standardizes on IBM Rational software to implement a global project portfolio management process.

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### Overview

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#### ■ **Challenge**

*Alticor was unable to effectively ensure alignment between business goals and IT initiatives; avoid duplication of effort; and respond with agility to changing business priorities*

#### ■ **Solution**

*The company standardized on IBM Rational Portfolio Manager software to implement a consistent project portfolio management process and improve its resource management capabilities worldwide*

#### ■ **Key Benefits**

*IT is now better aligned with Alticor's strategic business initiatives; governance, accountability, resource management and personnel performance have improved; visibility into all IT activities has been achieved*

As the parent company of Amway Corp., Quixtar, Inc., Access Business Group LLC, Amway Hotel Corp. and Gurwitch Products, Alticor offers products, business opportunities, and manufacturing and logistics services in more than 80 countries and territories worldwide.

To support its global operations, Alticor relies on an IT staff of more than 1,000 professionals. Two hundred of those staff members work at the company's headquarters in Ada, Michigan; the remainder work in nine different business units at dozens of offices around the world.

While Alticor's decentralized IT operation provided a degree of autonomy to each business unit in making IT decisions, it presented a number of

challenges to the company as a whole. Different business units were using disparate project management systems and processes. In some areas, there were established, mature processes and project management offices (PMOs) in place, but in other areas, those protocols were virtually nonexistent. This made it hard for senior management to obtain accurate, timely reports on global IT activities.

With limited visibility into the ongoing activities of IT, Alticor found it difficult to ensure alignment between IT and strategic business initiatives, and to respond quickly to business opportunities. In addition, the company could not easily determine whether a team beginning a project in one region was duplicating the work of another team in another region.

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### **Key Components**

#### *Software*

- *IBM Rational Portfolio Manager*
- *IBM Rational RequisitePro*
- *IBM Rational Method Composer*

#### *Services*

- *IBM Rational services*

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*—Bill Ruga, enterprise IT PMO manager, Alticor*

Bill Ruga, enterprise IT PMO manager for Alticor, explains “We have separate business units in nine major regions. In addition to the CIO at the corporate office, each business unit has its own IT director. The primary challenge for us was understanding what our people were working on day to day and from a strategic standpoint. It was very difficult for us to identify whether we were working on projects that were aligned to the corporate strategy. In addition, it was possible that Business Unit A was working on the same problem as Business Unit B, and we just didn’t know about it. We wanted all of IT to work well together in a global environment, not just as separate units, but it is hard to manage what you cannot see.”

To address these challenges, Alticor standardized on a single project portfolio management process supported by IBM Rational® Portfolio Manager software across all of its global IT offices. “Our solution was to define one global project process, supported by a single enterprise software application—Rational Portfolio Manager,” says Ruga. “This included everything from standardizing on project documents and deliverables, to the development of project approval committees where they didn’t exist. With Rational Portfolio Manager, we have greater visibility into all projects globally. We have metrics on the kinds of projects we are working on. For example, we know how many projects are strategic initiatives and how many are support projects. We can see who is available to work on projects with better resource management. And communication between project managers and team members has improved.”

### **Finding the right solution**

Before selecting Rational Portfolio Manager, Alticor conducted a comprehensive evaluation of available solutions, starting with defining a set of goals. From the perspective of IT, one key objective was the ability to demonstrate the value that IT was delivering to the business. “We needed to show senior management at the executive level within the corporation what we were working on, how successful IT was and what the IT budgets were making possible,” says Ruga.

At the organizational or corporate level, Alticor’s main objectives were the global alignment of IT with business priorities, an improved ability to manage existing IT resources, and better governance and accountability throughout IT. At the project level, the company wanted to define and implement a simple, repeatable process and establish a single repository for all project data. Finally, for individual IT professionals, Alticor sought to manage workloads and limit work backlogs, while helping staff better understand the tasks they were assigned and their priorities.

In addition to these broader objectives, Alticor identified a number of technical criteria. For example, any proposed system would have to be multilingual with double-byte capability to support the company's Asian regions. "This was very important to us," says Ruga. "While the key strategic projects that require global interaction and global visibility are done in English, we wanted our Asian business units to be able to manage their self-contained projects in their own language."

A cross-business-unit team of IT managers and project managers was formed to guide the evaluation, selection and implementation of an effective solution. This project portfolio management (PPM) leadership team considered input from industry analysts, and evaluated offerings from several vendors over two-day in-house testing sessions. After the thorough evaluation, the PPM leadership team selected Rational Portfolio Manager based on its capacity to meet the company's defined goals and technical criteria; IBM's globally available service and support; and the ability to implement features and functionality in phases—starting first with basic resource management and scheduling.

#### **Getting started and gaining momentum**

Just three months after Alticor made the decision to standardize on Rational Portfolio Manager, the company was running extensive pilot projects in the United States and Europe. Before the pilot projects got under way, Alticor worked with IBM Rational consultants to determine what features would be used in the first phase of the Rational Portfolio Manager deployment, and to set up various project roles and attributes.

Today, Alticor continues to work with IBM Rational consultants as additional phases are planned and implemented. "IBM consultants recently performed an assessment to help us identify areas in which we could expand our use of Rational Portfolio Manager. During the assessment, we asked for feedback from project managers as well as PMO representatives. The assessment helped us make sure that the resource managers, the project managers and the team members are all doing what they are supposed to within Rational Portfolio Manager and within our processes to achieve our goals," says Ruga.

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**A new proposal process**

Alticor’s project lifecycle process has four phases: initiating, planning, executing and closing. Project proposals and approvals occur in the initiating phase. Project proposals are first brought to IT managers who work closely with departments and groups within each business unit on an ongoing basis. Serving as a link between the business and IT, the IT managers will formalize the proposal before it is presented to the IT steering committee. At this stage, the IT manager creates a proposal in Rational Portfolio Manager and uses it to consolidate all of the information needed to track and evaluate the project, including the project charter, scope statements, level of effort and other artifacts.

“Currently the steering committee evaluates each project on its own merits. Moving forward, they will use information in Rational Portfolio Manager to prioritize projects and evaluate them in relation to other projects in the entire portfolio,” says Ruga.

“In the first phase of our Rational Portfolio Manager implementation we focused on project scheduling, time sheets, documents and basic resource management. In the next phase, we are focusing on features more relevant to the steering committee, including more emphasis on using OLAP [online analytical processing] pivots and reports to understand data, scope management issues and risks. We also see the use of bubble charts in Rational Portfolio Manager as being a key to help our committee visualize the value of individual projects and status,” he adds.

Once a proposal is approved, a resource manager uses Rational Portfolio Manager to see what resources the project requires and what resources are available. The resource manager then allocates resources to the project and sets up a basic project schedule.

**Managing requirements and defining the process**

In the planning phase of the project lifecycle, Alticor project teams use IBM Rational RequisitePro® software to define project requirements. “We finalize the scope of the project in the planning phase using Rational RequisitePro,” says Ruga. “We currently have a large ERP [enterprise resource management] implementation in the planning phase, and we are using Rational RequisitePro to capture and manage all of our requirements for that effort.”

As Alticor refines its project lifecycle process, IT is using IBM Rational Method Composer software to create and manage a customized set of practices and consistently deliver the process. “We are moving our methods directly into Rational Method Composer. We are excited about that because we can formalize the process as we are developing it,” explains Ruga.

### **Improved resource management**

Among the key benefits that Alticor has realized since standardizing on Rational Portfolio Manager is the ability to effectively manage IT resources. “Resource management was a big struggle. Teams were saying they couldn’t take on new projects because they had a backlog of work to complete. With Rational Portfolio Manager, everyone can now record how they are spending their time and on what projects. Now we can use Rational Portfolio Manager and see what any individual is currently working on and what they are scheduled for two weeks from now. As we move forward, we will broaden that to four or six weeks out, and we will sequence our projects so that everyone knows what the priority of each project is.”

Improved resource management has also improved the productivity of IT support groups, including database administrators, infrastructure teams and integration teams. “When we get those groups involved earlier in the project and in the process, they are better able to manage their workload. We have started to see improvements in that area because groups are realizing that if they don’t get the support teams involved early on, those teams may not be available when they are needed. This is further motivating teams to follow our process and use Rational Portfolio Manager.”

### **Effective communication for a global team**

For a global enterprise, ineffective communication within and between teams can derail projects or cause significant delays. At Alticor, Rational Portfolio Manager— together with an IBM DB2® database— provides teams with a central repository for project information that enables clear communication of schedules, tasks, priorities and all project-related information. “We have significantly improved productivity and communication between project managers and team members with Rational Portfolio Manager,” Ruga reports. “Especially for a global team, the ability for team members to access vital information at any time is key. Project managers never have to go around to each person asking, ‘What are you working on?’ and ‘How much longer do you think it will take?’ Likewise, our individual team members always know what they should be working on now, and what they will be working on next. That results in a huge productivity improvement.”

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**Better visibility**

From a business perspective, the improved global visibility enabled by Rational Portfolio Manager is an important advantage. “Organizationally, in addition to having a better handle on resource usage and ensuring we are working on projects aligned with our strategy, we are also defining more clearly the work that needs to be done to keep the business going and the work we do to help the business grow,” says Ruga.

Early on Alticor identified each project in Rational Portfolio Manager with a set of attributes. For example, a project can be labeled as being for business support or as a strategic initiative. Specific attributes were also used to differentiate legal regulatory projects and enhancement projects. “With project attributes, we can easily see what kind of initiatives we are spending our time on, and we found out that we were spending more time in support than we targeted. With Rational Portfolio Manager, we know where we are really spending our time globally. For the first time, we can see if we are spending enough of our time on projects that will support new growth initiatives or we if we are spending most of our time on activities to sustain the business. Rational Portfolio Manager gives a picture of capabilities and performance levels for IT with respect to the business needs,” says Ruga.

Improved visibility has also led to improved productivity and accelerated decision-making processes. “Before we had adopted Rational Portfolio Manager, we sent out a request to our IT directors asking them for information on their top three projects, because we want to maintain a list. It took three months to get that list, and there were lengthy discussions about what was a top project and what wasn’t. Now we can use Rational Portfolio Manager to instantly see all of the company’s top projects on a real-time basis. And there are no more questions concerning what people believe are the most important projects. All of the information is right there, and it is up to date.”

**Twelve hundred projects and counting**

Alticor business units have implemented Rational Portfolio Manager in North America, Japan, China and Korea; with future implementations planned for Europe, Southeast Asia, India and Australia.

Already, Alticor has realized significant benefits at multiple levels. “We have seen improved organizational performance with better visibility and alignment. With Rational Portfolio Manager, we have an instantaneous view of where IT is providing real value. We are managing over 1,200 projects and proposals in Rational Portfolio Manager, and managing demand through steering committees to better align IT with our business. Weekly time reporting has enabled us to gather accurate data on project costs,” says Ruga.

He continues, “At the project level, project templates in Rational Portfolio Manager provide a kick-start for estimating and planning, while document templates have improved our ability to scope projects. We have a single repository to capture and manage project plans, documents, issues and risk across our entire portfolio—as well as an up-to-date view for project managers that details reported time spent and estimated time to completion. In addition, we have the ability for project plans to include global resources, which is key for Alticor’s worldwide team.

“Lastly, at the individual level, our team members can now see global task assignments in one place, and they have a better understanding of the value of process in managing workload demands. Rational Portfolio Manager is giving them more clarity so they can focus, understand what they are supposed to work on from week to week, and have fewer fire drills. That helps provide a better work-life balance and makes work better for everybody,” Ruga notes.

Looking ahead, Alticor anticipates continued improvements in performance and governance. “As we move forward, we are looking to further embed governance into our process with Rational Portfolio Manager—to make governance transparent wherever possible. Our CIO believes in project management as a discipline. At Alticor, Rational Portfolio Manager has increased our project awareness and given us the ability to measure our activities so that we can continually improve our execution, our resource utilization and our overall organizational performance,” Ruga concludes.

**For more information**

To learn more about IBM Rational Portfolio Manager software, contact your IBM representative or visit:

[ibm.com/software/rational](http://ibm.com/software/rational)

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